



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-552-810]

Circular Welded Carbon-Quality Steel Pipe from the Socialist Republic of Vietnam: Final Negative Countervailing Duty Determination

AGENCY: Import Administration, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (“the Department”) determines that countervailable subsidies are not being provided to producers and exporters of circular welded carbon-quality steel pipe (“circular welded pipe”) from the Socialist Republic of Vietnam (“Vietnam”).

EFFECTIVE DATE: [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Christopher Siepmann or Austin Redington, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-7958 or (202) 482-1664, respectively.

Petitioners

The petitioners in this investigation are Allied Tube and Conduit, JMC Steel Group, United States Steel Corporation, and Wheatland Tube.

Period of Investigation

The period for which we are measuring subsidies, or period of investigation, is January 1, 2010, through December 31, 2010.

Case History

The following events have occurred since the *Preliminary Determination*.¹

On April 13, 2012, the Department issued supplemental questionnaires to the Government of Vietnam (“GOV”), SeAH Steel VINA Corp. (“SeAH VINA”), and Vietnam Haiphong Hongyuan Machinery Manufactory Co., Ltd. (“Hongyuan”). Timely responses were received on April 20 (Hongyuan), April 27 (Hongyuan), and April 27, and May 7, 2012 (GOV). On May 4, 2012, the Department issued an additional supplemental questionnaire to the GOV, and it received the GOV’s response on May 7, 2012.

We received factual information submissions from the GOV and Wheatland Tube, respectively, on May 9 and May 14, 2012. On May 10, 2012, Hongyuan filed corrections to its previously reported data and also submitted additional factual information. On May 14, 2012, SeAH VINA submitted corrections to its previously reported data.

The Department conducted verification of SeAH VINA’s, Hongyuan’s, and the GOV’s questionnaire responses from May 21, to June 1, 2012, and issued verification reports for SeAH VINA and Hongyuan on July 6, 2012, and for the GOV on July 12, 2012.

The GOV, SeAH VINA, Hongyuan, and Wheatland Tube submitted case briefs on August 3, and rebuttal briefs on August 8, 2012. A public hearing was held on September 7, 2012.

Scope Comments

We set aside a period of time in our *Initiation Notice* for parties to raise issues regarding product coverage, and encouraged all parties to submit comments within 20 calendar days of

¹ See *Circular Welded Carbon-Quality Steel Pipe from the Socialist Republic of Vietnam: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination With Final Antidumping Duty Determination*, 77 FR 19211 (March 30, 2012) (“*Preliminary Determination*”).

publication of that notice.² As described in the *Preliminary Determination*, SeAH VINA filed comments on December 5, 2011, urging the Department to modify the scope description. No further comments on this issue were received.

For the reasons explained in the *Preliminary Determination*, the Department is not adopting SeAH VINA's proposed modification of the scope.

Scope of the Investigation

This investigation covers welded carbon-quality steel pipes and tube, of circular cross-section, with an outside diameter ("O.D.") not more than 16 inches (406.4 mm), regardless of wall thickness, surface finish (*e.g.*, black, galvanized, or painted), end finish (plain end, beveled end, grooved, threaded, or threaded and coupled), or industry specification (*e.g.*, American Society for Testing and Materials International ("ASTM"), proprietary, or other) generally known as standard pipe, fence pipe and tube, sprinkler pipe, and structural pipe (although subject product may also be referred to as mechanical tubing). Specifically, the term "carbon quality" includes products in which: (a) iron predominates, by weight, over each of the other contained elements; (b) the carbon content is 2 percent or less, by weight; and (c) none of the elements listed below exceeds the quantity, by weight, as indicated:

- (i) 1.80 percent of manganese;
- (ii) 2.25 percent of silicon;
- (iii) 1.00 percent of copper;
- (iv) 0.50 percent of aluminum;
- (v) 1.25 percent of chromium;

² See *Antidumping Duties; Countervailing Duties*, 62 FR 27296, 27323 (May 19, 1997), and *Circular Welded Carbon-Quality Steel Pipe From India, the Sultanate of Oman, the United Arab Emirates, and the Socialist Republic of Vietnam: Initiation of Countervailing Duty Investigations*, 76 FR 72173 (November 22, 2011).

- (vi) 0.30 percent of cobalt;
- (vii) 0.40 percent of lead;
- (viii) 1.25 percent of nickel;
- (ix) 0.30 percent of tungsten;
- (x) 0.15 percent of molybdenum;
- (xi) 0.10 percent of niobium;
- (xii) 0.41 percent of titanium;
- (xiii) 0.15 percent of vanadium;
- (xiv) 0.15 percent of zirconium.

Subject pipe is ordinarily made to ASTM specifications A53, A135, and A795, but can also be made to other specifications. Structural pipe is made primarily to ASTM specifications A252 and A500. Standard and structural pipe may also be produced to proprietary specifications rather than to industry specifications. Fence tubing is included in the scope regardless of certification to a specification listed in the exclusions below, and can also be made to the ASTM A513 specification. Sprinkler pipe is designed for sprinkler fire suppression systems and may be made to industry specifications such as ASTM A53 or to proprietary specifications. These products are generally made to standard O.D. and wall thickness combinations. Pipe multi-stenciled to a standard and/or structural specification and to other specifications, such as American Petroleum Institute (“API”) API-5L specification, is also covered by the scope of this investigation when it meets the physical description set forth above, and also has one or more of the following characteristics: is 32 feet in length or less; is less than 2.0 inches (50mm) in outside diameter; has a galvanized and/or painted (*e.g.*, polyester coated) surface finish; or has a

threaded and/or coupled end finish.

The scope of this investigation does not include: (a) pipe suitable for use in boilers, superheaters, heat exchangers, refining furnaces and feedwater heaters, whether or not cold drawn; (b) finished electrical conduit; (c) finished scaffolding;³ (d) tube and pipe hollows for redrawing; (e) oil country tubular goods produced to API specifications; (f) line pipe produced to only API specifications; and (g) mechanical tubing, whether or not cold-drawn. However, products certified to ASTM mechanical tubing specifications are not excluded as mechanical tubing if they otherwise meet the standard sizes (*e.g.*, outside diameter and wall thickness) of standard, structural, fence and sprinkler pipe. Also, products made to the following outside diameter and wall thickness combinations, which are recognized by the industry as typical for fence tubing, would not be excluded from the scope based solely on their being certified to ASTM mechanical tubing specifications:

1.315 inch O.D. and 0.035 inch wall thickness (gage 20)

1.315 inch O.D. and 0.047 inch wall thickness (gage 18)

1.315 inch O.D. and 0.055 inch wall thickness (gage 17)

1.315 inch O.D. and 0.065 inch wall thickness (gage 16)

1.315 inch O.D. and 0.072 inch wall thickness (gage 15)

1.315 inch O.D. and 0.083 inch wall thickness (gage 14)

1.315 inch O.D. and 0.095 inch wall thickness (gage 13)

1.660 inch O.D. and 0.047 inch wall thickness (gage 18)

1.660 inch O.D. and 0.055 inch wall thickness (gage 17)

³ Finished scaffolding is defined as component parts of a final, finished scaffolding that enters the United States unassembled as a “kit.” A “kit” is understood to mean a packaged combination of component parts that contain, at the time of importation, all the necessary component parts to fully assemble a final, finished scaffolding.

1.660 inch O.D. and 0.065 inch wall thickness (gage 16)

1.660 inch O.D. and 0.072 inch wall thickness (gage 15)

1.660 inch O.D. and 0.083 inch wall thickness (gage 14)

1.660 inch O.D. and 0.095 inch wall thickness (gage 13)

1.660 inch O.D. and 0.109 inch wall thickness (gage 12)

1.900 inch O.D. and 0.047 inch wall thickness (gage 18)

1.900 inch O.D. and 0.055 inch wall thickness (gage 17)

1.900 inch O.D. and 0.065 inch wall thickness (gage 16)

1.900 inch O.D. and 0.072 inch wall thickness (gage 15)

1.900 inch O.D. and 0.095 inch wall thickness (gage 13)

1.900 inch O.D. and 0.109 inch wall thickness (gage 12)

2.375 inch O.D. and 0.047 inch wall thickness (gage 18)

2.375 inch O.D. and 0.055 inch wall thickness (gage 17)

2.375 inch O.D. and 0.065 inch wall thickness (gage 16)

2.375 inch O.D. and 0.072 inch wall thickness (gage 15)

2.375 inch O.D. and 0.095 inch wall thickness (gage 13)

2.375 inch O.D. and 0.109 inch wall thickness (gage 12)

2.375 inch O.D. and 0.120 inch wall thickness (gage 11)

2.875 inch O.D. and 0.109 inch wall thickness (gage 12)

2.875 inch O.D. and 0.134 inch wall thickness (gage 10)

2.875 inch O.D. and 0.165 inch wall thickness (gage 8)

3.500 inch O.D. and 0.109 inch wall thickness (gage 12)

3.500 inch O.D. and 0.148 inch wall thickness (gage 9)

3.500 inch O.D. and 0.165 inch wall thickness (gage 8)

4.000 inch O.D. and 0.148 inch wall thickness (gage 9)

4.000 inch O.D. and 0.165 inch wall thickness (gage 8)

4.500 inch O.D. and 0.203 inch wall thickness (gage 7)

The pipe subject to this investigation is currently classifiable in Harmonized Tariff Schedule of the United States (“HTSUS”) statistical reporting numbers 7306.19.1010, 7306.19.1050, 7306.19.5110, 7306.19.5150, 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, 7306.30.5090, 7306.50.1000, 7306.50.5050, and 7306.50.5070. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under the investigation is dispositive.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this investigation are addressed in the Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Import Administration, entitled “Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Circular Welded Carbon-Quality Steel Pipe from the Socialist Republic of Vietnam” (October 15, 2012) (hereafter, “Decision Memorandum”), which is hereby adopted by this notice. Attached to this notice as an Appendix is a list of the issues that parties have raised and to which we have responded in the Decision Memorandum. The Decision Memorandum is a public document and is on file electronically via Import Administration’s Antidumping and Countervailing Duty Centralized Electronic Service System

(“IA ACCESS”). IA ACCESS is available to registered users at <http://iaaccess.trade.gov> and in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Decision Memorandum can be accessed directly on the internet at <http://www.trade.gov/ia/>. The signed Decision Memorandum and the electronic versions of the Decision Memorandum are identical in content.

Suspension of Liquidation

For this final determination, we have determined that neither of the producers/exporters of the subject merchandise individually investigated received countervailable subsidies. Therefore, we determine that countervailable subsidies are not being provided to producers or exporters in Vietnam of circular welded pipe.

Because we have reached a final negative determination we are terminating this investigation. Moreover, in accordance with section 705(c)(2) of the Tariff Act of 1930, as amended (“Act”), we will instruct U.S. Customs and Border Protection (“CBP”) to release any bond or other security and refund any cash deposits that were collected for shipments of subject merchandise entered, or withdrawn from warehouse on or after March 30, 2012, the date that we instructed CBP to suspend liquidation following the *Preliminary Determination*. The interest provisions of section 778 of the Act do not apply.

International Trade Commission (“ITC”) Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our determination.

Return or Destruction of Proprietary Information

This notice serves as the only reminder to parties subject to administrative protective order (“APO”) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Failure to comply is a violation of the APO.

This determination is published pursuant to sections 705(d) and 777(i) of the Act.

Paul Piquado
Assistant Secretary
for Import Administration

October 15, 2012
(Date)

APPENDIX

List of Comments and Issues in the Decision Memorandum

General Issues

Comment 1 Applicability of the CVD Law to the Socialist Republic of Vietnam

Comment 2 The Appropriate *De Minimis* Standard

Import Duty Exemptions on Imported Raw Materials for Export Processing Enterprises and Export Processing Zones

Comment 3 Countervailability of Import Duty Exemptions for Export Processing Enterprises and Companies in Export Processing Zones

Comment 4 The GOV's System for Monitoring the Inputs Used to Produce Exported Goods

Import Duty Exemptions for Imported Fixed Assets, Spare Parts and Accessories for Export Processing Enterprises and Export Processing Zones

Comment 5 Whether Hongyuan's Failure to Report Imports of Spare Parts and Accessories Warrants Use of AFA

Import Duty Exemptions for Imported Fixed Assets, Spare Parts and Accessories for Encouraged Projects

Comment 6 SeAH VINA's Failure to Report Some Imports

Comment 7 Whether SeAH VINA Received Countervailable Duty Exemptions on its Purchases of Fixed Assets, Spare Parts and Accessories

Policy Loans

Comment 8 Preferential Financing to the Steel Industry

Comment 9 Preferential Lending for Exporters

Comment 10 Whether the Banks That Provided Loans to Hongyuan and SeAH VINA are Public Entities

Comment 11 The Appropriate Benchmark for Policy Loans

Provision of Land for Less Than Adequate Remuneration ("LTAR") in Encouraged Industries or Industrial Zones

Comment 12 SeAH VINA's Land

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